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FM AMEMBASSY KINGSTON
TO RUEHC/SECSTATE WASHDC PRIORITY 5996
INFO RUEHWN/AMEMBASSY BRIDGETOWN 7459
RUEHGE/AMEMBASSY GEORGETOWN 2379
RUEHGR/AMEMBASSY GRENADA 0039
RUEHBH/AMEMBASSY NASSAU 2589
RUEHPU/AMEMBASSY PORT AU PRINCE 3076
RUEHSP/AMEMBASSY PORT OF SPAIN 5159
RUEHDG/AMEMBASSY SANTO DOMINGO 5908
RUEATRS/DEPT OF TREASURY WASHDC
RUEAWJA/DEPT OF JUSTICE WASHDC

UNCLAS SECTION 01 OF 02 KINGSTON 000176

SIPDIS

SENSITIVE
SIPDIS

STATE FOR INL/LP (BOZZOLO), WHA/CAR (TILGHMAN) AND CA/EX
JUSTICE FOR OPDAT
TREASURY FOR OTA

E.O. 12958: N/A

TAGS: [KCOR](#) [KCRM](#) [PGOV](#) [JM](#)

SUBJECT: JAMAICA: PNP MP KERN SPENCER ARRESTED IN CUBAN
LIGHT BULB SCANDAL

REF: 07 KINGSTON 1681

11. (SBU) Summary: Following months of public speculation, Peoples National Party (PNP) former state minister and current Member of Parliament Kern Spencer was charged and arrested, on February 26, for his alleged involvement in the Cuban Light Bulb scandal. Reftel initially reported the scandal, and the fact that it represented the first challenge the newly elected Jamaica Labour Party (JLP) government faced regarding how it would react to strong allegations of corruption by high-level officials. This arrest marks a break from the past and hopefully a turning point in making public officials accountable for their misdeeds. Only if there are legal consequences will high-level public officials think twice before committing future acts of corruption. End Summary.

12. (SBU) : Under what technically is called the 4M Energy Saving and Light Bulb Distribution Project, Fidel Castro's government provided the Jamaican government, through then Minister for Mining, Energy and Telecommunications Phillip Paulwell, four million, energy saving light bulbs and a cadre of Cubans to distribute them. The project was implemented between 2006 and 2007 without any written bilateral agreement. This gift could now cost the Jamaican government nearly USD 4 million. Paulwell claims he handed the project over to his state minister, Kern Spencer, to implement.

13. (SBU) The Cuban Light Bulb scandal is the latest of several such scandals rocking Jamaica during the last several years. However, in the past, it appeared that, through an informal mutual agreement between the PNP and the JLP, no legal action was taken against suspected public officials. Rather, &Commissions of Inquiry⁸ were created and ultimately their findings failed to indicate any violation of the law. The scandal usually died a quiet death. At most, public officials were cited for failing to follow proper procedure. But, that meant nothing, since no penalty was applied.

14. (U) As mentioned in reftel, the scandal broke in October 2007, when the current, JLP Minister of Energy, Mining and Telecommunications, Clive Mullings, brought the case to the attention of the Auditor General and the Contractor General. Auditor General Adrian Strachan presented his annual, formal

report to Parliament in January and among other things indicated that, with respect to the 4M case, government procurement and disbursement rules were &breached.8 Specifics were provided such as absence of required written contracts preventing clear indications of who engaged the service providers and what were the terms of reference and fees to be paid. Also, of the 4 million bulbs, 176,380 could not be accounted for. Comment: Strachan retired in December 2007 and has not yet been replaced. End Comment.

¶15. (U) The Auditor General,s annual report was followed by the Contractor General,s annual report which was sent to Parliament in early February. It was even more damning on this subject than was the Auditor General,s report. Contractor General Greg Christie took an important step by declaring that there was evidence suggesting &a very strong inference of an unlawful criminal conspiracy and corruption8 in the awarding of contracts for installation of the light bulbs. The report accused Spencer of &improper, unauthorized and unlawful intervention in the project,s procurement, contract award and contract payment processes.8

¶16. (SBU) Christie stated that two companies that benefited most by this project were Universal Management and Development Company (UMD) and Caribbean Communications and Media Network (CCMN). Both were formed in July 2006, following the announcement in July of the Cuban project. Rodney Chin is sole director of both companies. The mother of Spencer,s illegitimate child, Sherine Shakes, is listed as UMD,s project manager. Her mother, Verdine Mair, was listed as first company secretary for UMD and CCMN. In addition, it was alleged that a company owned by Spencer, Butterfly Traders Limited, also benefited from the project.

KINGSTON 00000176 002 OF 002

All money paid out for the project came from the Petroleum Corporation of Jamaica (PCJ). Comment: Ms. Shakes apparently had no previous experience working as project manager. Ms. Mair was paid USD 10,000 by PCJ for catering. End Comment.

¶17. (U) Christie sent his report to Director of Public Prosecutions and to the Commissioner of Police suggesting that criminal investigations were warranted. He specified, in Spencer,s case, that it appeared that he had obtained an illicit benefit contrary to Section 14(1) of the Corrupt Practices Act. The PNP leadership convinced Spencer to take a leave of absence from his seat in Parliament until March 31, to allow for the investigation. On February 21, Jamaican Immigration placed Spencer on their &Stop Watch8 to prevent him from fleeing the country.

¶18. (U) On February 26, Spencer, Rodney Chin, and Coleen Wright (a PCJ supervisor and Spencer,s personal assistant) were formally charged and arrested, following earlier questioning by the Organized Crime Investigation Division (OCID) of the JCF. Seven charges were filed against Spencer. They include three counts of conspiracy to defraud, violation of Section 14(1) of the Prevention of Corruption Act, and three money laundering offenses) concealing and disguising criminal property (valued at USD 37,836.65), transferring criminal property from Jamaica (USD 64,576.50) and engaging in a transaction with criminal property. Chin and Wright face similar charges.

¶19. (SBU) Conclusion: Despite widespread public corruption, this is the first time since 1990 that a high-level Jamaican official was arrested for corruption. At that time, J.A.G. Smith received a three years jail sentence for apparently soliciting money in connection with the U.S. and Canadian farm workers programs. Smith,s misdeeds occurred in the 1980s, when he was the JLP Minister of Labour. Embassy believes this is the first time in history that a PNP Member of Parliament has been brought up on corruption charges. Hopefully, fighting corruption will become a non-partisan objective. According to newspaper accounts published on

February 27, PNP leader Portia Simpson Miller issued a press release on the 26th stating that &the PNP wishes to reaffirm its stance against any involvement in acts of corruption and firmly believes that the rule of law should always take its course.8

JOHNSON